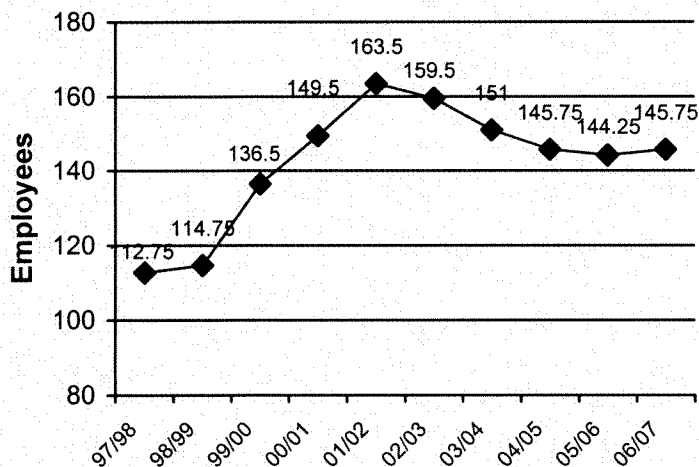


**MISSION STATEMENT**

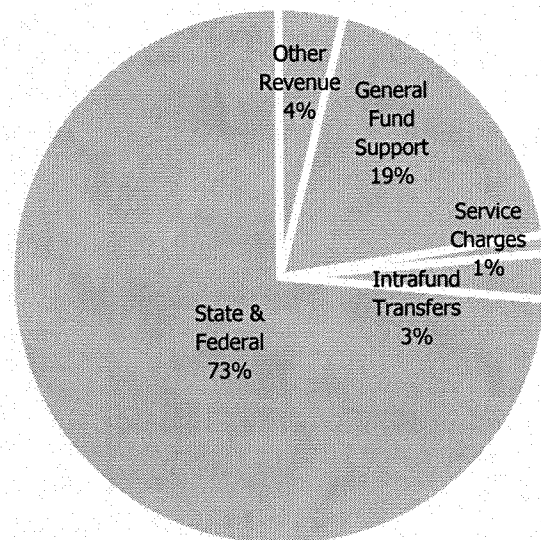
San Luis Obispo County Mental Health partners with agencies, providers, consumers and other stakeholders to provide effective integrated evidence-based services essential for living, working, learning, and participating fully in the community with individuals and families affected by serious mental illness.

<u>Financial Summary</u>	<u>2005-06 Budget</u>	<u>2005-06 Projected</u>	<u>2006-07 Requested</u>	<u>2006-07 Recommended</u>	<u>Change From 2005-06</u>
Revenues	\$ 19,989,647	\$ 21,237,668	\$ 21,003,409	\$ 21,052,851	\$ 1,063,204
Salary and Benefits	13,677,834	13,891,990	14,614,808	14,676,045	998,211
Services and Supplies	10,601,947	11,817,800	12,150,736	12,065,613	1,463,666
Other Charges	3,766	3,766	14,480	14,480	10,714
Fixed Assets	0	0	0	31,004	31,004
<b>**Gross Expenditures</b>	<b>\$ 24,283,547</b>	<b>\$ 25,713,556</b>	<b>\$ 26,780,024</b>	<b>\$ 26,787,142</b>	<b>\$ 2,503,595</b>
Less Intrafund Transfers	710,548	576,207	834,574	740,574	30,026
<b>**Net Expenditures</b>	<b>\$ 23,572,999</b>	<b>\$ 25,137,349</b>	<b>\$ 25,945,450</b>	<b>\$ 26,046,568</b>	<b>\$ 2,473,569</b>
General Fund Support (G.F.S.)	\$ 3,583,352	\$ 3,899,681	\$ 4,942,041	\$ 4,993,717	\$ 1,410,365

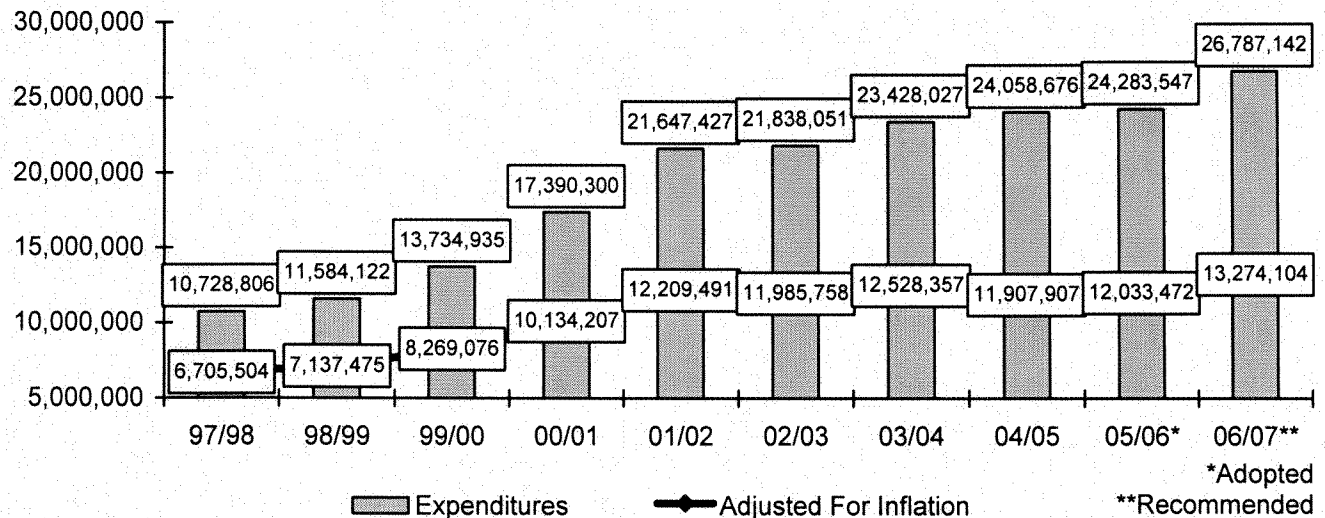
**Number of Employees**  
(Full Time Equivalent)



**Source of Funds**



## 10 Year Expenditures Adjusted For Inflation



### SERVICE PROGRAMS

#### Outpatient Services

Outpatient programs provide a variety of services to people of all ages in the community in a variety of settings. Some of the services provided are as follows: crisis intervention; individual, group and family therapy; medication and medication management; case management; social and vocational rehabilitation; and outreach to the homeless.

Total Expenditures: \$18,489,193 Total Staffing (FTE): 112.91

#### Residential Services

Residential services are 24-hour programs supported by Mental Health, that provide treatment for more extended periods of time but at lower cost than acute hospitalization. They are usually provided in unlocked residential settings and range in care level from on-site supervised intensive treatment programs to independent living arrangements with periodic staff monitoring visits.

Total Expenditures: \$2,216,628 Total Staffing (FTE): 3.6

#### Long-Term Care Facilities

These facilities provide long-term, 24-hour care for the severely mentally ill unable to function in a residential setting. Facilities include State hospitals and Institutions for Mental Disease (IMD). They are generally locked facilities and have the capability for medical care as well as intensive psychiatric treatment.

Total Expenditures: \$1,651,445 Total Staffing (FTE): 1.2

#### Psychiatric Health Facility Services

The San Luis Obispo County Psychiatric Health Facility serves the 24-hour care needs of those in acute mental health crisis. It is a locked facility generally providing short-term, intensive psychiatric treatment.

Total Expenditures: 4,429,876 Total Staffing (FTE): 28.04

### DEPARTMENT COMMENTS

Key Accomplishments of the Mental Health Department for FY 05-06

#### Customer Service

- Recent survey indicated that 60% of those surveyed were *very satisfied* with the services provided and 33% were *satisfied* with the services provided.
- Through the Mental Health Services Act planning process, over 2,400 people participated in the process through focus groups, public forums, interviews, and written and telephone surveys. The people that responded to either a written or telephone survey regarding the Department, 50% said that the services

provided were either *excellent, good or fair*. Thirty-five per cent said that they did not know and only 15% rated the services as being *poor*.

#### **Internal Business Practices**

- The Department implemented Early & Periodic Screening, Diagnostic and Treatment (EPSDT) audits to be completed on a monthly basis. Due to these audits, the quality of the documentation of services delivered has improved as evidenced by the decrease in the amount of disallowances each month.
- The Department also implemented an 800 number for the community to access that has allowed for easier access into the system.
- A significant effort was made to improve the Agency's Board Letter submissions. Improvements include providing more meaningful detail generating greater clarity, fewer grammatical errors, more timely submissions, and more emphasis on results.
- Significant improvement was made in the FY 2006-07 Mental Health budget submissions. The submissions provided a greater level of detail and overall did a better job of explaining the department's expenses and revenues over prior year's submissions. The department will continue to focus on improving the timeliness and accuracy of future budget submissions.

#### **Finances**

- A deadline for submission of documentation of service delivery has been implemented. This resulted in an increase in billing and an increase in generating revenues.
- A project concept was developed and approved for the replacement of the existing billing/clinical information system in Behavioral Health. The eventual replacement of the current antiquated systems in Mental Health and Drug & Alcohol will provide increased functionality, more accurate billing, and fewer IT resources to support, to name a few.

#### **Learning & Growth**

- The department has a training committee that develops and schedules trainings for staff. The results of staff training impact the way services are delivered and improves customer service.

#### **Key Challenges and Strategies for the Mental Health Department for FY 06-07**

#### **Customer Service**

- The Department is implementing the following new programs: Kinship Center, Enhanced Classroom Program with the Office of Education and The Children's Assessment Center.

#### **Internal Business Practices**

- The replacement of the information system in the Department is crucial to billing and to accurate reporting of data.
- Implementation of the eGov web site and the Network of Care website.
- Psychiatric Health Facility (PHF)
  - Medicare certification needs to be evaluated and a decision made regarding the need to pursue certification.
  - Issues around medical clearance need to be evaluated and a policy needs to be established.
  - The re-model of the hospital campus will result in a temporary reduced bed capacity from 16 to 10-12. Other accommodations will be arranged for the interim period.

#### **Finances**

- The Department must find other sources for revenues in order to sustain the current service levels. Representation at state meetings will be crucial in order to advocate for more funding and to keep apprised of the state budget.
- Management tools must be developed in order to monitor staff's productivity and timeliness of turning in documentation of services. Staff and Program Supervisors will then be held accountable for not meeting established standards.
- Continue to explore the possibility of the Community Health Centers (CHC) managing mental health clients.
- Continue to explore the possibility of a Memorandum of Understanding with the Department of Rehab in order to leverage additional funding for mental health clients.
- Continue to monitor Institute for Mental Disease (IMD) days with the implementation of the Adult Placement Committee.

**Learning & Growth**

- Staff will need to be hired and trained in order to implement the new programs noted above. Policies and procedures will need to be established. Billing procedures will need to be established.

**RECOMMENDED BUDGET AUGMENTATION REQUESTS AND RELATED RESULTS**

Unit /Amount	Description	Results
Gross: \$257,259	1.0 Psychologist	These positions are proposed in order to support the Children's Assessment Center. The Economic Opportunity Commission will oversee the operation of this center and will contract with the Department of Mental Health for the positions noted. The assessment center has a number of targeted results, a few of which are noted here (for additional explanation of the assessment center see the comments noted below). <ul style="list-style-type: none"> <li>o 450 children will be screened into the center in the first full year of operation.</li> <li>o 100% of children will be assessed within 30 days of intake.</li> <li>o 95% of a random sample of children will have <i>Ages &amp; Stages Questionnaire</i> scores that indicate improvement.</li> <li>o 75% of a random sample of children will demonstrate improvement as measured by standardized instruments and clinical assessment.</li> </ul>
General Fund Support: \$0	1.5 Mental Health Therapist IV  The purpose of the Children's Assessment Center is to identify the use of alcohol or drugs during pregnancy, which can significantly impact the development of a child. The assessment center will assess, develop a treatment plan, and provide access to services for children ages zero to five who are at risk for developmental or mental health problems.	

**COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS**

The 06-07 fiscal year represents another difficult year for Mental Health Services with respect to finances. In the 05-06 fiscal year, approximately \$1 million of one-time funding was budgeted in order to temporarily fill a substantial budget gap. As of 06-07, these one-time funds have been exhausted.

In order to close the \$1.8 million budget gap, the department would have had to significantly reduce services to the community. One or more outpatient clinics would have required closing and outpatient services to the community would have been significantly reduced. Additionally, significant reductions to staffing levels would have occurred. In order to avoid these drastic impacts to the community, the level of General Fund support to this fund center is recommended to increase by \$1.4 million or 39%. It is important to note that significant increases in the level of General Fund support to this fund center are not sustainable longer-term. As such, it will be a priority for the Health Agency Director and Behavioral Health Administrator to identify options for addressing the current budget imbalance.

In addition to the \$1.4 million increase in the General Fund contribution, \$400,000 of Social Services Sales Tax Realignment revenue is included in this budget. It is important to note that at least some of this revenue is expected to be needed in future years to pay for caseload growth in Child Welfare Services, In-Home Support Services, and a variety of other programs administered by Social Services. As such, this source of revenue cannot be relied upon by Mental Health longer-term.

In addition to Cost of Living increases, there are other significant cost increases in this budget. The contract with French Hospital for food and custodial services at the Psychiatric Health Facility (PHF) increased by \$112,000 as the level of service required was previously underestimated. Additionally, pharmaceutical costs are increasing by \$220,000 or 40%. An increased census at the PHF and the County jail has increased the demand for pharmaceuticals and newer drugs, which are more expensive, are being utilized. One of the major focal points for the Mental Health staff is to more clearly identify the root causes for the large spike in pharmaceutical costs and to develop plans to manage more effectively. Lastly, the costs to place individuals into Institutes for Mental Disease (IMD) and in residential facilities continue to rise. Mental Health staff has created a committee to oversee the placement of individuals in order to place them into the least restrictive setting as possible in order to improve treatment and to control costs.

As noted in the budget augmentation above, a new Children's Assessment Center will begin operating during the 06-07 fiscal year. The center is the result of collaboration between many members of the community including members of the County Board of Supervisors, several County Department Heads and staff, several community based organizations, and Dr. Ira Chasnoff and Associates. In summary, the purpose of the assessment center is to identify the use of alcohol or drugs during pregnancy, which can significantly impact the development of a child. The assessment center will assess, develop a treatment plan, and provide access to services for children ages zero to five who are at risk for developmental or mental health problems. The Economic Opportunity Commission will serve as the lead agency for the operation of the center. The center has many sources of funding, including money from the County General Fund in the amount of \$500,000 over two years.

Lastly, the entire Health Agency is in the midst of a reorganization, which is proposed to take effect at the start of the 06-07 fiscal year. As a result, there are a number of staffing changes, which are noted below.

- One Accountant position is added (transferred from the Drug & Alcohol fund center).
- One Administrative Services Manager position is eliminated and replaced with a Deputy Director position (the Deputy Director position is reflected in the Public Health fund center, 160).
- Three Clinical Program Manager positions have been changed to Division Manager positions.
- A 0.5 Supervising Administrative Clerk has been replaced with a 1.0 Department Personnel Technician.
- A Health Care Analyst position has been changed to an Administrative Services Officer I/II position.
- A Mental Health Administrator position has been eliminated.
- A 1.0 Mental Health Nurse III position has been replaced with a 0.5 Mental Health Therapist IV position.
- 1.5 Mental Health Therapist IV positions added for the Children's Assessment Center.
- 1.0 Psychologist added for the Children's Assessment Center.

### **GOALS AND PERFORMANCE MEASURES**

<b>Department Goal:</b> To help mentally ill individuals be as functional and productive as possible in the least restrictive and least costly environments.						
<b>Communitywide Result Link:</b> A healthy community. A prosperous community.						
<b>1. Performance Measure:</b> Rate of client satisfaction with outcome from mental health services.						
01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
85%	87%	86%	82%	85%	82%	85%
<p><b>What:</b> Mental Health's customer service survey instrument changed from a County developed to a State developed survey during fiscal year 2004-05. The new survey instrument is called the Mental Health Statistical Improvement Program (MHSIP) customer survey. Results are provided by the State from surveys taken of all individuals receiving mental health services from County Mental Health during one-week periods in November and May of each fiscal year. The FY 2004-05 actual result has been modified to reflect the result of the State survey with a value of 82% compared to the County survey result of 85%. A Subscale Score is provided for each population taking the survey. Populations surveyed are Adult, Older Adult, Youth and Youth Families. Customer Service areas tested are Access to Service, Cultural Sensitivity, Participation in Treatment Planning, Outcomes and General Satisfaction.</p> <p><b>Why:</b> Client satisfaction is monitored on an ongoing basis to gain consumer input regarding the quality of mental health services provided.</p> <p><b>How are we doing?</b> The average rating of 82% represents an average overall rating by clients of "satisfied." The State has warned against comparing the results of these surveys across counties as invalid. Even-though, we sent our values to our comparable counties and have asked for their results, however, at the time this report was submitted, we had not received any values from our comparable counties.</p>						

<b>2. Performance Measure:</b> Total number of patient days in State hospitals.						
01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
182	410	571	986	730	1,000	1,000
<p><b>What:</b> Reflects the use of State hospital patient days by county residents. State hospitals represent the most restrictive and most costly treatment environment available to county residents.</p> <p><b>Why:</b> Low reliance on State hospital admissions is generally considered more beneficial to overall client recovery. Much of the mental health outpatient service is designed to reduce placement in State hospitals.</p> <p><b>How are we doing?</b> Effective community programs and case management has allowed our County to maintain a low number of State hospital placements. There are currently three San Luis Obispo County mentally ill clients placed in the State hospital. Comparable County data was provided in prior budgets that showed our County to have a relatively low utilization rate of State hospitals. Unfortunately, the most recent data available for comparison was from 1999-00. This data is now considered to be too old to be relevant and has been removed from this budget document.</p>						
<b>3. Performance Measure:</b> Days spent annually by adult patients in out-of-county residential facilities, both Institutions for Mental Disease (IMD) and Board and Care.						
01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
8,423	7,918	7,823	10,006	8,000	12,313	12,313
<p><b>What:</b> Measures utilization of out-of-county residential facilities. These health care facilities are for those county mental health clients whose local community functioning is impaired.</p> <p><b>Why:</b> Low reliance on out-of-county residential facilities is generally considered more beneficial to overall client recovery. Most of our outpatient services are designed to reduce placements in out-of-county facilities.</p> <p><b>How are we doing?</b> Out-of-county IMD and board and care days have increased each of the last two fiscal years with 2005-06 days projected increase relative to fiscal year 2003-04 actual result by 57%. The average clients in out-of-county residential facilities during fiscal year 2003-04 were 24. In fiscal year 2004-05 the average client count had risen to 29 and in 2005-06 the count rose to 38. This recent rise in placements is a result of increased acuity levels of clients being seen at County Mental Health. An adult residential placement review team has been established to review all placements to identify client candidates for return to the community with increased case management. It is hoped that increased intensive case management services to the most ill clients, as part of the full service partnership of the Mental Health Services Act (MHSA), will decrease the recent upward trend in out-of-county placements.</p>						
<b>4. Performance Measure:</b> Day Treatment services provided to youth in out-of-county group home facilities as percentage of annual clients served by County Mental Health.						
01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
1,498	1,531	2,089	1,494	1,885	1,885	1,885
<p><b>What:</b> Measures the provision of mental health day treatment services to youth placed in out-of-county rate classification level 14 (RCL 14) group homes. Rate Classification Level (RCL) Fourteen is the highest level classified by the State for residential treatment facilities and group homes.</p> <p><b>Why:</b> Youth are placed in RCL 14 group homes by the Department of Social Services, Probation and School Districts. These youth are the most severely mentally ill youth in the county. Youth mental health outpatient services are designed to avoid placements in RCL 14 group homes whenever possible. Day Treatment mental health services are provided to all youth placed at RCL 14 group homes.</p> <p><b>How are we doing?</b> San Luis Obispo County has avoided placing youth in RCL 14 group homes whenever possible. For the last two fiscal years, San Luis Obispo County has averaged twelve unduplicated youth placed in RCL 14 group homes with an average of 5 moving to lower level placement each fiscal year. Although the number of clients served was the same for both fiscal years, day treatment days were less in 04-05 because the average length of stay per youth was shorter. The most recent comparable county data from 2002-03 shows San Luis Obispo County spent only 2.3% on day treatment services to Medi-Cal clients. This spending amount was less than four of our comparable counties: Kern - .2%, Monterey - 17%, Napa - 10%, Placer - 23%, Santa Barbara - .8%, Santa Cruz - 17%.</p>						

<b>Department Goal:</b> To provide cost effective mental health services to community residents.						
<b>Communitywide Result Link:</b> A well-governed community.						
<b>5. Performance Measure:</b> Inpatient Psychiatric Health Facility (PHF) patient cost per day.						
01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
\$727	\$917	\$934	\$830	\$1,000	\$770	\$800
<p><b>What:</b> The county provides a full functioning 24 hour Psychiatric Health Facility. Approximately 30% of the PHF costs are reimbursed from Federal, State and 3<sup>rd</sup> party insurance payments. Measuring average daily per patient cost provides an indication of cost efficiency of this resource expenditure.</p> <p><b>Why:</b> This measure is one component of measuring how efficiently our Inpatient Psychiatric Health Facility functions.</p> <p><b>How are we doing?</b> This measure is greatly influenced by the average daily client census. Although the cost of the PHF operation has slightly increased during the last two fiscal years, the cost per day rate decreased as the average daily census increased from 8.5 for fiscal year 2003-04 to 11.5 for fiscal year 2005-06. Contributing to this census increase was an agreement with Santa Barbara County beginning in fiscal year 2004-05, to accept some Santa Barbara County clients into the PHF when the PHF census is low. We found no published data regarding county operated PHF costs, however, we did have Merced, Placer and DMH review our PHF costs in fiscal year 2004-05. They found our PHF costs to be in line with other county operated PHFs. What was not consistent was our average length of stay. Shorter lengths of stay decrease the average daily census (because volatility is increased) and the average patient daily cost is increased. The average length of stay reported for 10 county operated PHFs in 2000-01 was 8.14 days while the SLO PHF average was 3.2 days.</p>						
<b>6. Performance Measure:</b> Average annual service cost per unduplicated Medi-Cal client.						
01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
3,818	3,608	3,240	3,342	3,476	3,900	3,900
<p><b>What:</b> Annual cost of Medi-Cal claimed mental health services are divided by annual Medi-Cal clients served.</p> <p><b>Why:</b> Provides indicator of level of service being provided to each Medi-Cal client.</p> <p><b>How are we doing?</b> The most recent State data is for fiscal year 2002-03. During fiscal year 2002-03 San Luis Obispo County spent the least per individual Medi-Cal client (\$3,608) compared to an average of \$6,183 for comparable counties. Comparable counties amounts were: Kern-\$4,426, Monterey-\$6,219, Napa-\$4,765, Placer-\$4,158, Santa Barbara-\$6,855 and Santa Cruz-\$10,678.</p> <p>This lower cost per client is reflective of San Luis Obispo County's Mental Health service delivery characteristics:</p> <ol style="list-style-type: none"> <li>1) SLO County's Medi-Cal penetration rate is high. Penetration rate refers to the percent of Medi-Cal eligible persons who actually receive services. We serve more of our Medi-Cal population as a percentage of eligibles than most other counties. The most recent comparable county data from 2002-03 has SLO County Mental Health's Medi-Cal penetration rate at 9.22, higher than 5 out of our six comparable counties: Kern - 6.95, Monterey - 4.00, Napa - 7.55, Placer - 11.21, Santa Barbara - 6.82, Santa Cruz - 7.96.</li> <li>2) We have shorter stays on our PHF. This translates into more clients seen and less spent on each PHF client seen.</li> <li>3) Average Mental Health Service units provided by SLO County Mental Health per Medi-Cal client is less than 5 out of 6 of our comparable counties at 17.8 units. Comparable county units for MHS: Kern - 29.7, Monterey - 23.6, Napa - 21.3, Placer - 17.0, Santa Barbara - 45.4, Santa Cruz - 51.8.</li> </ol>						
<b>7. Performance Measure:</b> Rate of readmission to Psychiatric Health Facility (PHF) within 30 days of discharge.						
01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Projected Results	06-07 Target
12.46%	11.83%	11.81%	12.35%	12.00%	15.76%	12.00%
<p><b>What:</b> Readmissions to PHF within 30 days of discharge provides indication whether PHF services were effective in stabilizing client for at least 30 days.</p> <p><b>Why:</b> Low readmission rates indicate that clients are being stabilized to an appropriate level before discharge.</p> <p><b>How are we doing?</b> The fiscal year 2005-06 readmission rate has increased compared to prior years. Mental Health Services Act programs are being designed to provide after discharge monitoring for all PHF clients which is intended to provide additional support after an emergency episode and help lower readmits. The most recent State statistical data is for fiscal year 2002-03. This data shows that San Luis Obispo County provided the lowest average annual inpatient days of service per Medi-Cal client at 5.9 days compared to an average of 12.3 days for comparable counties. Comparable county days were: Kern-9.6, Monterey-8.5, Napa-13.1, Placer-17.8, Santa Barbara-14.4 and Santa Cruz-10.7. Because the San Luis Obispo County PHF has a shorter average stay than other counties, San Luis Obispo County is able to provide emergency inpatient services to twice as many clients as comparable counties.</p>						